Volume 15 No. 9, March 16, 2009

CHAIRMAN'S MESSAGE – BLAINE McLEOD

As I sit to write this message the promise of spring-like weather has finally been realized. The return to seasonal norm temperatures means that this long and cold winter is finally going to make way for the long anticipated melt and with it the beginning of a new growing season. Before we know it we will all be very busy with field work and related activities. The arrival of a new season, especially spring, brings with it many anticipated changes that seem to bring a sense of a fresh start. May I be the first to wish each of you much success in this new season of farming.

I would like to thank each of the producers in the province for doing their part to collectively help our province to fulfill our quota commitments. The latest information from the Canadian Dairy Commission would indicate that a permanent quota decrease effective April 1st is a very real possibility. As a board we have made a commitment to let producers have as much warning as possible regarding any potential changes to our quota holdings. The size of the cut has yet to be determined but the economic factors are indicating that a cut could be necessary. Please be watching for future communication.

I would also like to speak very briefly about producer requests that come to our board table. Since the new board was appointed it has been our policy to remove the names from any correspondence before it comes to our board table. In so doing we feel that it safeguards the process from any potential conflict of interest. In an industry that continues to have fewer players we felt this was an important step to initiate. We would still encourage you to speak to your concerns with board members if you want, but it does provide anonymity if producers want that protection.

We will very soon be involved in the round of spring meetings held in conjunction with Dairy Farmers of Saskatchewan. The meetings will begin in the first week of April and may I encourage you to mark your calendar and plan to be in attendance. Please note that Ministry of Agriculture officials will be present at the Odessa and Saskatoon meetings to consult with producers regarding the Milk Control Act and dairy industry regulations. I encourage all producers to attend one of these two meetings if your schedule permits. A meeting schedule is included in the newsletter for your convenience. A complete update of our activities will be given and we will look for your input as we seek direction regarding any required changes to our quota system. We have been operating provincially under new guidelines since August 1, 2008 and we need to look at potential changes to the rules that apply on-farm. We all need to learn how to operate our farms under the new model of continuous quota management. Your help in this process by attending and participating in the district meetings would be very beneficial to us all. We look forward to seeing you soon.

QUOTA EXCHANGE

The market-clearing price established for the March 2009 Unused Quota Exchange was **$62.00,** and the market-clearing price established for the March Used Quota Exchange was **$53.00.** The results of the March 2009 Quota Exchange are outlined in the following Tables.

The next monthly Quota Exchange for the 2008-2009 dairy year will be held on April 15, 2009. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the Board office by midnight, April 6, 2009. The Board recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

Just a reminder to producers that when making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange.

Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. **Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange.**

The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.

UNUSED QUOTA EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat		**$62.00**
Kilograms offered to Purchase		**12,800**
Kilograms offered to Sell		**3,046**
Kilograms sold		**1,800**
Number of Producers		
- offered to purchase	**6**	
- purchased quota	**2**	
- offered to sell	**6**	
- sold quota	**6**	

UNUSED QUOTA EXCHANGE

Price ($/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
54.00	1	1	46	46	-12,754	12,800	500	6	1
56.00	0	1	0	46	-12,254	12,300	3,000	5	1
57.00	1	2	500	546	-8,754	9,300	0	4	0
58.00	1	3	500	1,046	-8,254	9,300	0	4	0
59.00	1	4	500	1,546	-7,754	9,300	0	4	0
59.55	0	4	0	1,546	-7,754	9,300	1,500	4	1
60.00	1	5	500	2,046	-5,754	7,800	6,000	3	1
62.00	**1**	**6**	**1,000**	**3,046**	**1,246**	**1,800**	**1,800**	**2**	**2**

USED QUOTA EXCHANGE (per kilogram of butterfat)

Market Clearing Price per kilogram of butterfat		**$53.00**
Kilograms offered to Purchase		**6,500**
Kilograms offered to Sell		**3,000**
Kilograms sold		**1,000**
Number of Producers		
- offered to purchase	**4**	
- purchased quota	**1**	
- offered to sell	**1**	
- sold quota	**1**	

USED QUOTA EXCHANGE

Price ($/kg b.f.)	No. of Sellers	Cumulative Sellers	Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
50.11	0	0	0	0	-6,500	6,500	1,000	4	1
52.00	0	0	0	0	-5,500	5,500	3,000	3	1
52.55	0	0	0	0	-2,500	2,500	1,500	2	1
53.00	**1**	**1**	**3,000**	**3,000**	**2,000**	**1,000**	**1,000**	**1**	**1**

WEIGHTED AVERAGE COMPONENT TESTS & PRICES February 2009

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.7379	$11.781863
Protein	3.3166	$ 8.781863
Other Solids	5.7036	$ 1.276660

Based on the average component tests for the province, the average price received was $80.4469 per hectolitre. **The average butterfat price received per kilogram was $21.52.** Over quota (4m) holdings are $1,249,760.74 for the first seven months of the 2008-2009 dairy year.

SASKATCHEWAN MILK POOL RESULTS February 2009

Milk Sale Revenue	$ 14,020,121.01
Western Milk Pool	$ 1,060,324.93
Dairy Farmers of Canada Skim Off	$ -19,037.12
Plant of Last Resort Service	$ -58,889.04
Total Pool Value	**$ 15,002,519.78**

TEMPORARY QUOTA DECREASE March 1, 2009

Producers were advised in a letter dated March 9, 2009 that effective March 1, 2009, a temporary decrease of 0.4% on Total Production Quota was applied. This decrease will not be included in the July 31, 2009 97% production requirement calculation, and will be shown on quota management sheets as line 9.

UNALLOCATED TOTAL PRODUCTION QUOTA PENDING FOR August 1, 2009 IS ESTIMATED AT +0.18%

Unallocated Total Production Quota Pending is the quota change being projected for the beginning of the new dairy year. This is the result of *pro-rata* quota allocations to producers during the current dairy year.

ACCOUNTING VALUES FOR CLASSES OF MILK March 2009

	Butterfat ($/kg)	**($ per hl. Skim milk)**	
Class 1a	$5.3000	$68.10	
Class 1b	$5.3000	$68.10	
Class 1c	$5.3000	$54.30	
	Butterfat ($/kg)	**Protein ($/kg)**	**Other Solids ($/kg)**
Class 2	$7.5339	$5.6447	$5.6447
Class 3a	$7.5339	$13.1864	$0.8940
Class 3l	$7.5339	$12.9337	$0.8780
Class 4a, 4b, 4d & 4d(i)	$7.5339	$5.2463	$5.2463
Class 4a(i)	$7.5339	$2.6000	$2.6000
Class 4c	**As approved by the Board**		
Class 4m	$0.00	$0.00	$0.00
Class 5a	$2.9980	$6.0420	$0.0001
Class 5b	$2.9980	$1.7782	$1.7782
Class 5c	$3.0000	$1.4273	$1.4273
Class 5d	**As determined by**	**the CDC**	

In February, Saskatchewan had a monthly CDC allocation of **673,297 kilograms** of butterfat. For February, Saskatchewan is **+23,492 kilograms** of butterfat over and cumulatively over by **+4,839 kilograms** of butterfat. On a percentage basis, Saskatchewan is at **+0.06%** within our CDC allocation flexibility limits based on the Continuous Quota model.

For the 2008-09 dairy year, Saskatchewan produced 100.09% of its allocation from August 1, 2008 to February 28, 2009.

	(1) Monthly Total Production Kgs bf	(2) Total Monthly CDC Quota Allocation Kgs bf	(3) Monthly Over or (Under) Production Kgs bf col. 1 – 2 = 3	(4) Lower Flexibility Limit **(1.5%)** Kgs bf col. 9 * -1.5%	(5) Upper Flexibility Limit **0.5%** Kgs bf col. 9 * 0.5%	(6) Cumulative Over or (Under) Production with limits Kgs bf	(7) Cumulative Over or (Under) Production with limits in % col. 6 / 9	(8) Over Quota or (Lost Production Opportunity) Kgs bf	(9) Rolling 12 Month Total Quota Kgs bf
Aug-08	714,566	711,593	2,973	(130,546)	43,515	**2,973**	**0.03%**	-	8,703,088
Sep-08	702,656	712,733	(10,077)	(130,901)	43,634	**(7,104)**	**(0.08%)**	-	8,726,753
Oct-08	731,710	765,419	(33,709)	(130,809)	43,603	**(40,814)**	**(0.47%)**	-	8,720,621
Nov-08	725,592	730,200	(4,608)	(130,756)	43,585	**(45,421)**	**(0.52%)**	-	8,717,065
Dec-08	768,375	770,028	(1,652)	(130,900)	43,633	**(47,074)**	**(0.54%)**	-	8,726,664
Jan-09	776,069	747,648	28,421	(130,950)	43,650	**(-18,652)**	**(0.21%)**	-	8,729,975
Feb-09	696,788	673,297	23,492	(130,537)	43,512	**4,839**	**0.06%**		8,702,486

(1) Monthly Production in Saskatchewan
(2) Total Monthly Quota = Class 1 sales + Monthly MSQ + Carry Forward
(3) Difference between the monthly production (1) and the total monthly quota (2)
(4) The Lower Flexibility Limit is -1.5% of Rolling 12 Month Total Quota (9)
(5) The Upper Flexibility Limit is 0.5% of Rolling 12 Month Total Quota (9)
(6) Previous Month Cumulative Over or (Under) Production + Current Monthly Over or (Under) Production (capped at lower or upper limit if applicable)
(7) Equal to Column (6) expressed as a percentage basis within the flexibility limits
(8) Over Quota or (Lost production opportunity) outside of flexibility limits
(9) Total Monthly CDC Quota Allocation for the previous 12 months

PRODUCER MEETINGS - APRIL 2 - 8 2009

The Board and Dairy Farmers of Saskatchewan will once again hold the next session of producer meetings as a joint effort. Please mark your calendars and plan to attend. The agenda and schedule of meetings is as follows:

Joint Meeting Agenda

1. Registration – 9:30 a.m. (9:00 a.m. in Saskatoon)
2. Update: Markets and Production – Milk Control Board
3. Milk Control Board Future Policy Considerations
4. Ministry of Agriculture Consultations* (Odessa and Saskatoon)
5. Dairy Farmers of Saskatchewan Update – A. Leyenhorst / W. Kelly.
6. Question Period
7. Other Business
8. Adjourn

*Ministry of Agriculture officials will present an overview of intentions to review the Milk Control Act and dairy industry regulations and will be seeking input from producers.

Schedule of Meetings

DATE	TIME	DISTRICT	LOCATION
Thursday, April 2	9:30 a.m.	Swift Current	F.O.A. Eagles 1910 S Service Rd. W Swift Current
Friday, April 3	9:30 a.m.	Yorkton	St. Mary's Parish, Ukrainian Catholic Cultural Centre, 240 Wellington St Yorkton
Monday, April 6	9:30 a.m.	Odessa	Odessa Hall
Tuesday, April 7	9:00 a.m.	Saskatoon	Hilton Garden Inn 90-22nd Street East Saskatoon
Wednesday, April 8	9:30 a.m.	Melfort	Travelodge 101 Spruce Haven Rd Melfort

QUOTA MANAGEMENT TABLE

Please find enclosed your quota management results for February 2009. This Table indicates the percentage of each producer's quota allocation utilized as well as the kilograms of butterfat produced by these shipments.

There are lines numbered 1 through 9 on the top portion of your quota management sheet which show adjustments to your quota for the 2008-2009 dairy year. Enclosed with your quota management sheet is an explanation of how these adjustments will affect what you are required to produce for mid-year (January 31st) and year-end (July 31st) to achieve 97%. If you have any questions, please contact our office.

QUOTA LISTING SERVICE

The Board offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows, miscellaneous dairy equipment, or swap quota is welcome to contact the Board office at (306) 787-5319. All prices and negotiations will be independent of the Milk Control Board.

Swap in Unused Quota

- Anna Mulder would like to swap in quota. Call (306) 933-9485.
- Earview Colony would like to swap in quota. Contact Dave at (306) 672-3516.
- Want to swap in unused quota. Contact Harry Martens at (306) 239-4902 or cell (306) 222-0322.
- Want to swap in quota. Contact Dave from Spring Creek Colony at cell (403) 979-1379.

Swap out Unused Quota

- Jim Gorrill would like to swap out quota. Contact him at (306) 725-4828.
- Wheatland Colony would like to swap out quota. Contact George at (306) 587-2458 Ext. 109

Wanted – Quota to Purchase

Wanted – quota to purchase (quota only) – approximately 10,000 kilograms.
Contact Henry Klop (306) 493-2273

Quota &/or Cows for Sale

- For sale – 10 milk cows. Phone Chad (306) 598-2054

- Quota for sale. Approximately 32,000 kilograms. Contact Dan Hazell @ Glenacre Holsteins. Phone (306) 224-4850. Fax (306) 224-4909.

- Cows and quota for sale. Contact Ferch Farms at (306) 736-2205.

- Cows and quota (approximately 40,000 kilograms). Please contact Ken Schmidt @ (306) 374-8980

- Bred heifers for sale – contact Danny at Box Elder Colony – (403) 502-9997

- For sale: 2 year old Reg Holstein Bull. Sire is Comestar L'Heros and the Dam is a VG Rudolph with 5 Lact. Avg 253-273-271 BCA 1 Superior lact, 2nd Dam is EX 2E 6* Chief Mark, 4 Lact Avg 234-275-225 BCA 2 Superior lact. This Bull is backed by 8 generations of VG or EX. He is a proven breeder and he has an excellent disposition. Contact Lloyd Sawatzky, Saskatoon, SK. Phone (306) 239-4818. Cell (306) 281-2247.

- For sale: 18 Reg Holstein heifers due March – June 2009. Contact Lloyd Sawatzky, Saskatoon, SK Phone (306) 239-4818. Cell (306) 281-2247.

Miscellaneous For Sale

- Hay for sale: First and Second Cut. Birch Hills, Sask. (306) 749-2879
  Livestock Equipment for Sale:
  120 artex freestalls
  120 pasturemat matress
  De Laval Sort Gate
  Supreme model 900 TMR Mixer
  Supreme model 700 TMR Mixer
  Haybuster Model H1000 with 3 sets of screens and grain attachments
  6000 gallon HUSKY Manure tank, flotation tide with injectors
  Contact (306) 749-2879

- Dairy Equipment for Sale: 1 18" x 10' belt conveyor; 6 Waikato milk meters; 6 Delaval milk machines with vacuum pulsators; Delaval vacuum pump with 7.5 hp motor. Contact Lloyd Sawatzky, Saskatoon, SK Phone (306) 239-4818. Cell (306) 281-2247.

- Alfa-laval Accublend 285 Mixer; Agri-Metal 542 feedcart; Renn 10hp Roller mill; Conveyors, 2-14 ft x 18 inch, 1-42 ft x 18 inch; 2 – 6 inch electric augers, 10 & 14ft; Harvestore, Goliath and Hercules unloaders; Mueller 1000 gallon milk tank; Alamo 100 vacuum pump; Surge Eclipse milking units and retractors. Contact: Leonard Blocka (306) 764-8439 or cell (306) 960-6608.

- 16 Waikato milk meters $250 each; 5,000 gallon new Delaval bulk tank, made in U.S.A. $50,000. Contact Corman Holsteins (306) 933-4608

- 2002 Tubeline Bale Wrapper and a dismantled 25/90 Harvestorg Silo. Call David Slykhuis @ (306) 453-2878 in Carlyle, SK

- 2000 gallon Delaval tank. Call James Hein (306) 365-3209

Wanted to Buy

- Used Ration Master II Processor (used for feed stations)
  Contact Margaret at (306) 782-7240.

MILK CONTROL BOARD MEMBERS

Blaine McLeod - Chairman	Dairy Producer - (306) 756-2775
Dale Strudwick – Vice-Chair	Dairy producer - (306) 771-4186
Alvin Schultz - member	Dairy producer - (306) 254-4301
Dr. Bob Tyler - member	Professor - Dept. of Food & Bioproduct Sciences, University of Saskatchewan, Saskatoon

For further information, please contact the Saskatchewan Milk Control Board office.
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Regina, Saskatchewan S4P 3X2 Fax: (306) 787-1988
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